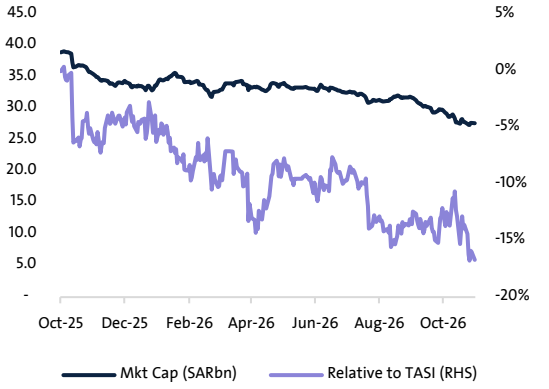
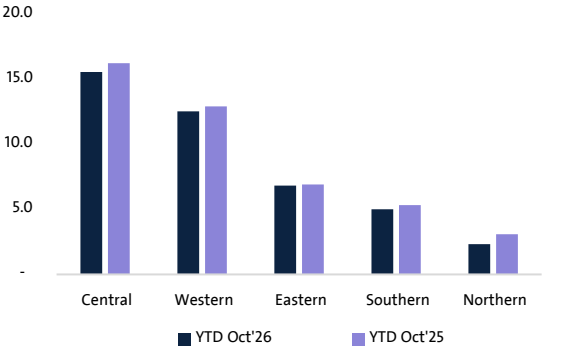
Oct-26: Higher domestic demand lifted overall sales volumes

Cement Sector-YTD Performance vs TASI



Source: AC, Bloomberg

Cement Sector-YTD Regional Sales Performance (mn tons)



Source: Yamama, AC

KSA Cement: Volume recovery may benefit realized prices in 4Q26

Cement sales recovered strongly in Oct-26, driven by improving activity levels and higher construction demand across all regions, particularly in the Central Region. Export sales, however, remained a drag. Average realized cement prices fell in 3Q26 compared to the previous quarter. This drop was driven by intense pricing pressure in the Central Region. We believe prices have bottomed, and we expect a modest recovery in 4Q26.

Total sales: Higher domestic demand drove overall sales volume

Total sales rose 4% MoM in Oct-26 but remained below Oct-25 levels, widening the YTD decline to 3%. On a MoM basis, Northern (+30%), Riyadh (+26%), Qassim (+19%), and Umm Al-Qura (+18%) outperformed the sector. On a YTD basis, Eastern, Umm Al-Qura, and United were the top outperformers.

Local Sales: Yamama leads in volume, Eastern in growth

Overall, local sales improved by 8% MoM in Oct-26, narrowing the YTD decline in sales to 3%. Regional trends were mixed in Oct-26. The Central Region recorded the highest growth in local sales in Oct-26 at 10% MoM, partially recouping its YTD underperformance vs. other regions. The Central Region accounted for 37% of total local sales YTD. Only two companies failed to post MoM volume growth. Yamama Cement maintained its overall volume leadership, while Northern outperformed its listed peers and posted MoM growth of 30%. On a YTD basis, Eastern achieved 23% growth, while Jouf suffered a 30% contraction.

Exports: Sales declined MoM; Southern Cement stood out

The previous month's uptick in export sales proved short-lived, as volumes fell 20% MoM, taking the YTD decline to 20%. Outbound trade channels remained constrained by persistent regional geopolitical risks. At the corporate level, Southern Cement emerged as the standout performer, nearly quadrupling its YTD export volumes to capture a 21% market share. Yanbu Cement and Saudi Cement remained the two largest exporters, despite YTD market share losses of 6 percentage points and 18 percentage points, respectively.

Valuation & Stock Price Performance

Listed cement stocks look attractively valued, trading at a 7% P/E discount to global peers while offering a 4.6% dividend yield vs. 1.8% for peers. This discount follows an 18% YTD fall in sector market cap, a 14% underperformance vs. TASI. While realized prices came under pressure in 3Q26, we expect prices to stabilize and gradually recover in 4Q26 driven by a QoQ recovery in volumes and higher freight costs for the inter-regional movement of cement. Accordingly, we expect the sector to recover part of its YTD underperformance.

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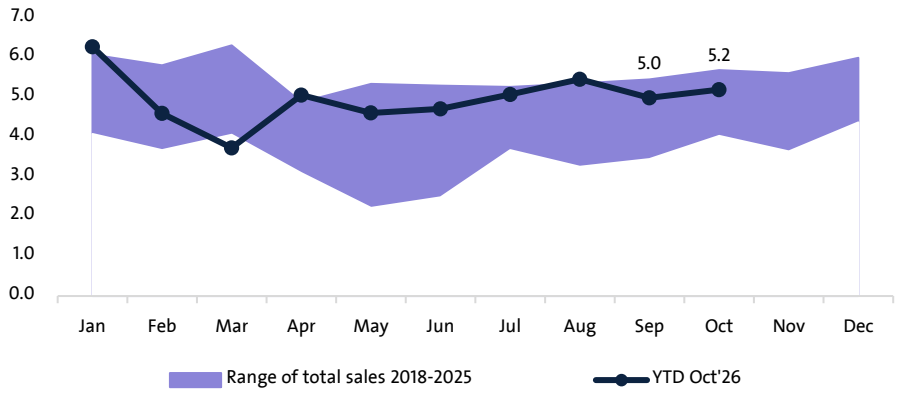
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Classification: Private

Cement: Total Sales

Total cement and clinker sales rose 4% MoM in Oct-26, signaling a recovery in demand momentum. Despite the MoM growth, the YTD sales decline widened to 3%, bringing cumulative volume to 49.6mn tons.

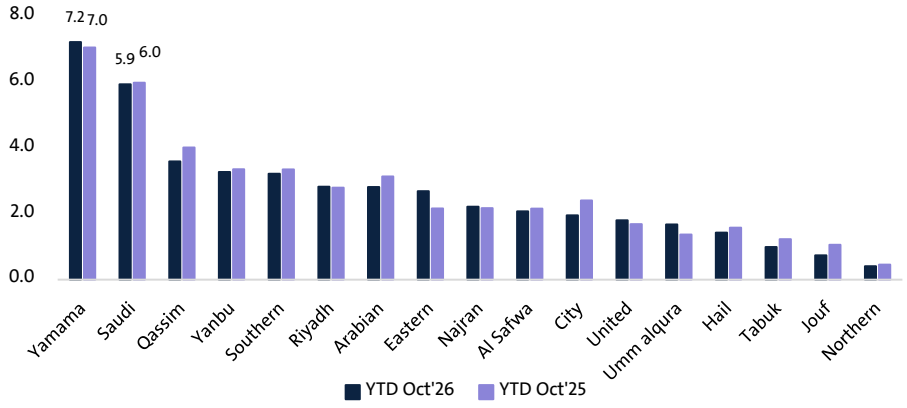
Total sales (Local + Exports, mn tons)



Source: AC

Yamama Cement maintained its industry leadership position, with YTD sales reaching 7.2mn tons as of Oct-26, up 2% YoY. Saudi Cement ranked second with total sales of 5.9mn tons, down 1% YoY.

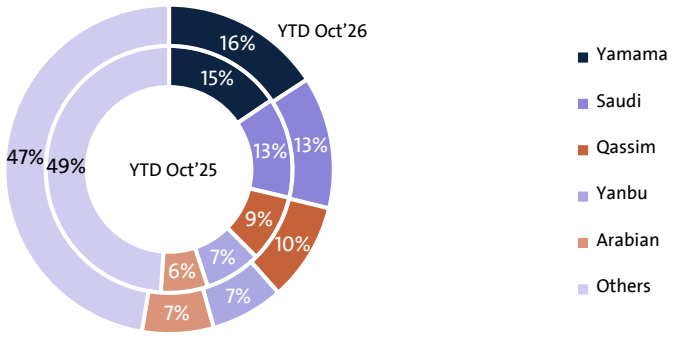
Company-wise total sales (mn tons)



Source: AC

Yamama Cement led the market with a 16% share in YTD Oct-26, gaining 1 percentage point. Saudi Cement ranked second with a market share of 13% in total sales.

Market share of total cement sales comparison (%)



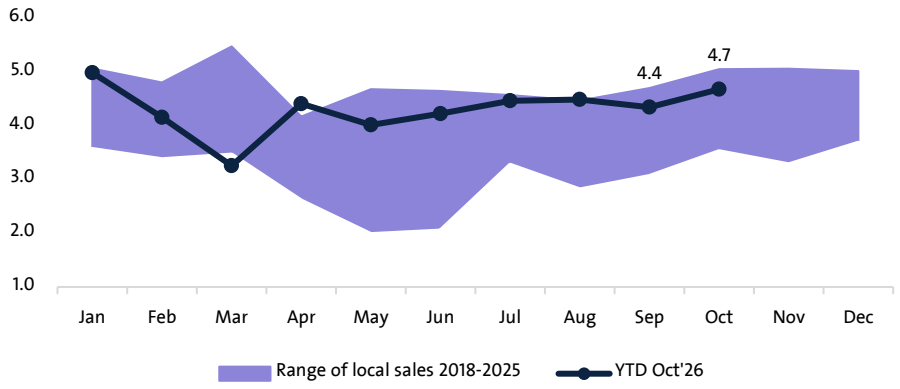
Source: AC

Classification: Private

Cement: Local Sales

Local sales increased by 8% MoM in Oct-26 to 4.7mn tons. Even so, the YTD decline held steady at 3%, in line with 1H26. The Central Region drove the growth in local sales, posting the highest growth among all regions at 10% MoM, followed by the Western Region at 6% MoM.

Local cement sales (mn tons)

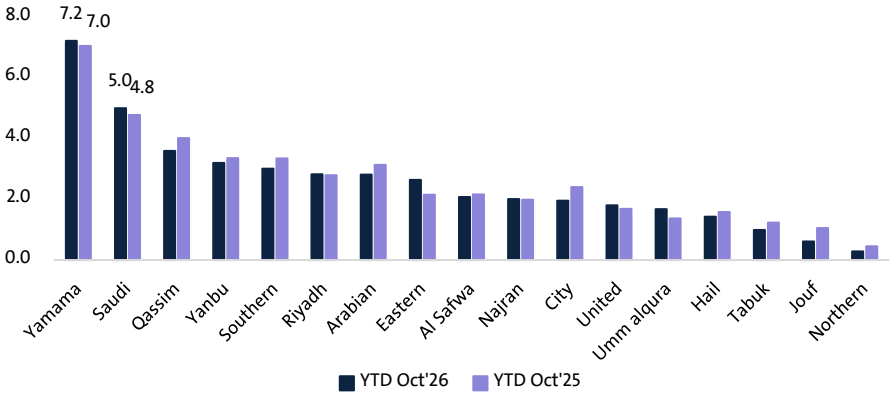


Source: AC

On a YTD basis, Yamama Cement grew its local sales by over 0.2mn tons, even though total market sales dropped by 1.4mn tons.

Riyadh Cement grew its volumes by 26% MoM, second only to Northern Cement, and turned its YTD volume growth positive.

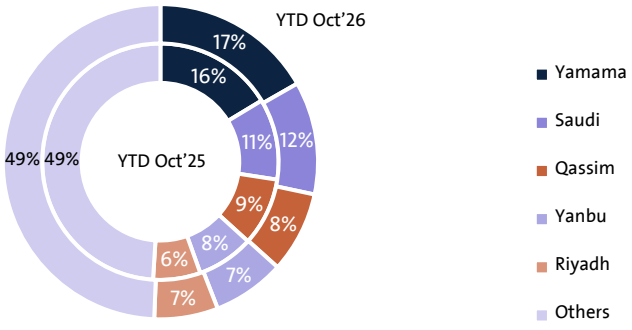
Company-wise local sales (mn tons)



Source: AC

Yamama Cement, Saudi Cement, and Riyadh Cement expanded their respective local market shares to 17%, 12%, and 7%, each gaining 1 percentage point in YTD Oct-26, driven by their outperformance in local sales.

Market share of local cement sales comparison (%)



Source: AC

Classification: Private

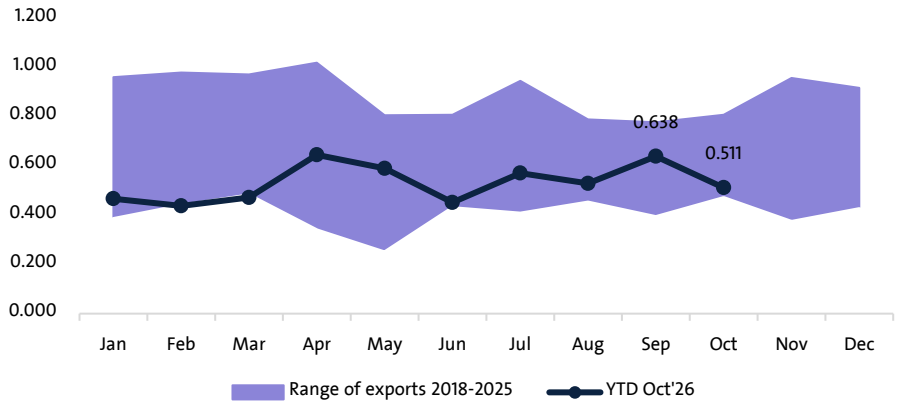
Cement: Exports

Export sales fell 9% YoY in Oct-26. Consequently, the YTD decline in export volumes reached 20%.

Heightened geopolitical risk weighed on YTD export performance.

Exports represented 11% of total industry sales YTD, with clinker accounting for nearly 80% of total exports.

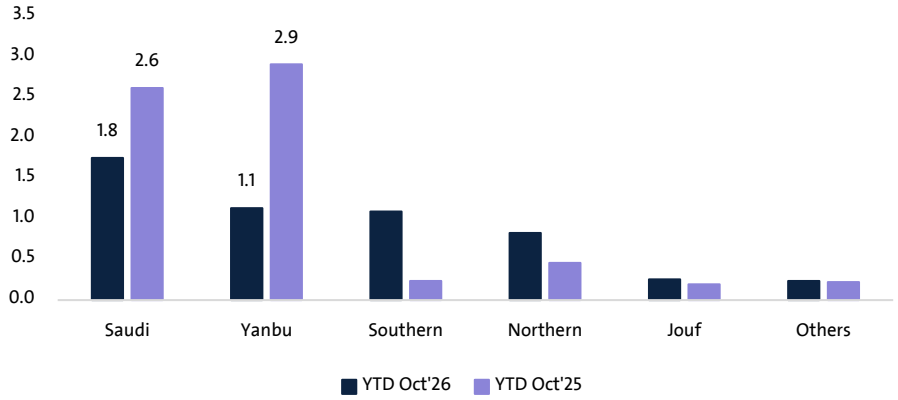
Export sales (mn tons)



Source: AC

Saudi Cement's exports fell 33% YoY to 1.8mn tons in YTD Oct-26. Similarly, Yanbu Cement's exports fell to 1.1mn tons (vs. 2.9mn tons), contributing to a 20% decline in total export sales (vs. YTD Oct-25). Meanwhile, Southern Cement outperformed the broader trend, with exports nearly quadrupling YoY.

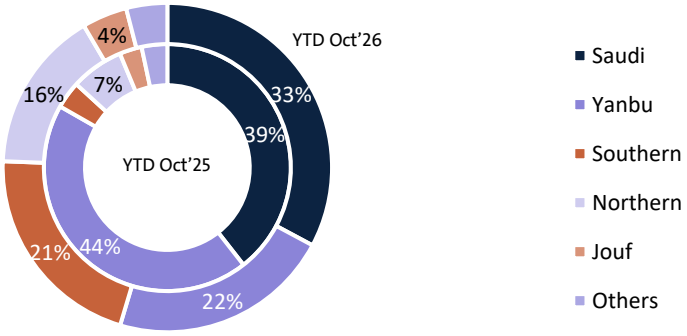
Export sales company-wise (mn tons)



Source: AC

Southern Cement's export market share rose sharply to 21% in YTD Oct-26, while Saudi Cement and Yanbu Cement saw their export market shares decline to 33% and 22%, respectively.

Market share of total cement exports comparison (%)



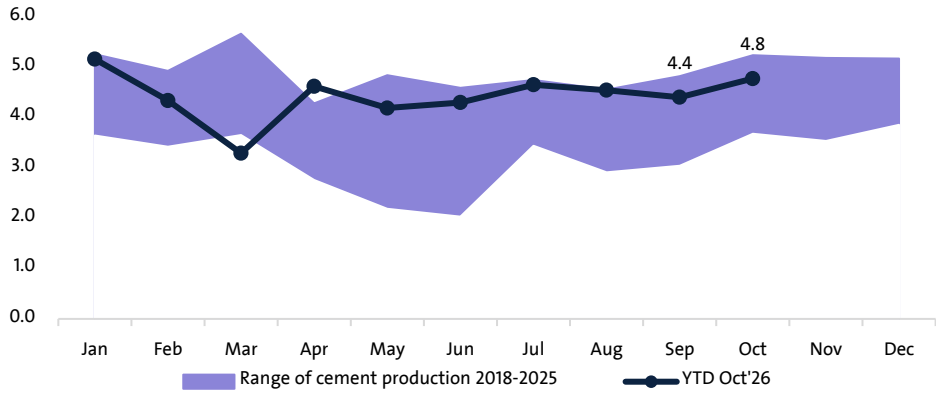
Source: AC

Classification: Private

Cement: Production, Inventory & Realized Prices

Cement production rose by 8% MoM to 4.8mn tons in Oct-26, in line with higher local sales.

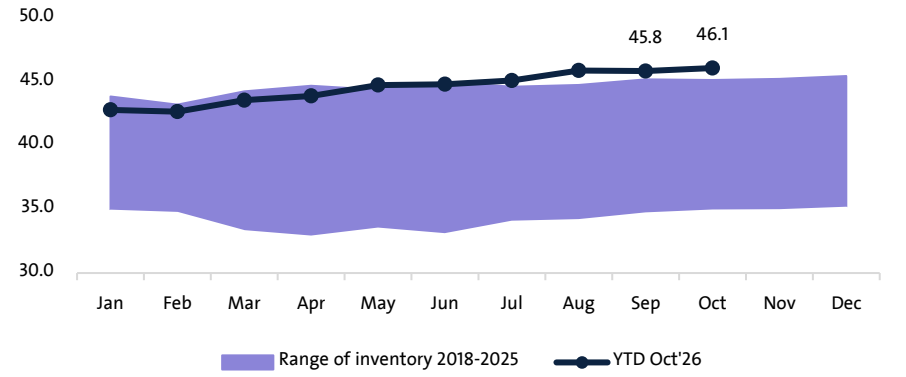
Cement production (mn tons)



Source: AC

Clinker inventories reached an all-time high of 46mn tons. Since Jan-26, clinker inventory levels have risen by 8%, with Yanbu and Yamama recording the highest inventory increases. Jouf and Southern, by contrast, reduced their clinker inventories YTD.

Clinker inventory (mn tons)

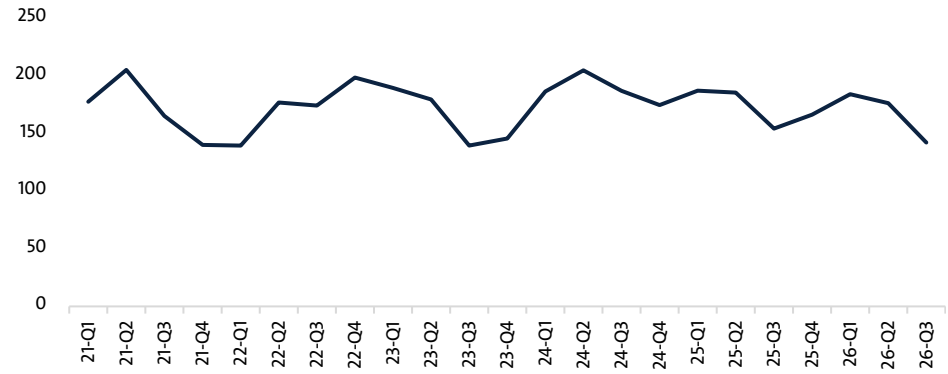


Source: AC

Average realized cement prices fell to SAR 145/ton in 3Q26, down 20% QoQ.

This drop was driven by pricing pressure across all regions.

Realized prices per ton (SAR/ton)



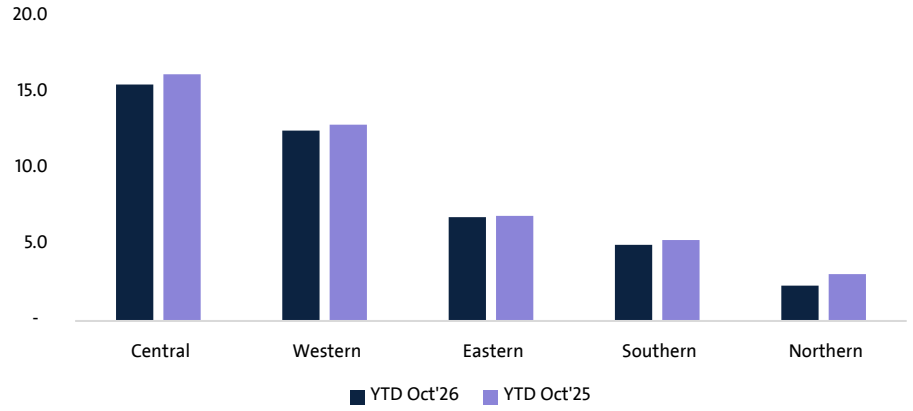
*Primarily based on available 3Q accounts Source: AC

Classification: Private

Cement: Regional Cement Deliveries

The Central Region remained the Kingdom's largest cement market, with 15.6mn tons of deliveries in YTD Oct-26. While domestic cement deliveries across all regions dropped by 5% YTD, the Eastern Region was the least impacted by the market decline.

Regional Cement Deliveries (mn tons)

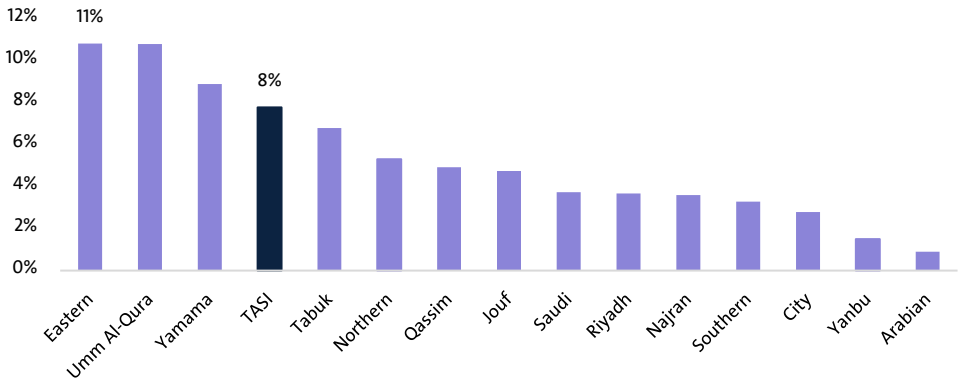


Source: AC

Stock performance

Measured from their 52-week lows, Eastern and Umm Al-Qura have outperformed TASI, while Arabian and Yanbu are still trading near those lows.

Cement stock returns from 52-week lows



Source: AC

Classification: Private

Cement: Stock Valuation & Performance

Cement: Relative Valuation

Stock name	Country	Market Cap	Price	P/E		P/BV		D/Y		EV/EBITDA	
		SARm	Local	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E
Qassim Cement	KSA	4,713	42.9	23.8	17.6	1.8	1.8	3.9%	5.2%	9.7	9.0
Saudi Cement	KSA	3,765	24.6	11.6	10.9	2.0	1.9	8.8%	7.4%	7.7	6.4
Southern Cement	KSA	2,338	16.7			0.9	0.9	3.7%	2.7%	14.5	13.0
Yamama Cement	KSA	3,908	19.3	8.7	8.4	1.0	0.9	4.5%	5.7%	10.3	8.7
Yanbu Cement	KSA	2,035	12.9	23.1	15.1	1.0	1.0	3.7%	5.6%	8.4	7.0
Northern Cement	KSA	1,096	6.1	21.0	19.5	0.5	0.7	3.5%	3.6%	12.0	11.0
Riyadh Cement	KSA	2,236	18.6	11.1	10.4	1.6	1.5	7.0%	5.0%	7.6	7.4
Eastern Cement	KSA	1,999	23.2	9.3	8.3	0.9	0.8	5.3%	5.7%	5.0	4.4
KSA Market mean		**2,582.6**	**15.6**	**13.1**	**11.6**	**1.0**	**1.0**	**4.6%**	**4.7%**	**8.6**	**7.6**
UltraTech	IND	144,632	12,275	37.8	29.6	4.4	4.0	1.0%	1.2%	19.7	16.3
Anhui Conch	CNY	51,950	18.6	21.4	14.4	0.5	0.5	4.1%	4.3%	2.5	2.4
Siam Cement	THA	31,876	237.0	11.3	15.0	0.8	0.8	3.5%	3.3%	8.8	9.0
Holcim Maroc	MAR	14,909	1,657.0	18.2	14.4	3.2	3.1	6.0%	6.6%	10.0	7.9
GCC, S.A.B.	MEX	11,759	179.0	11.0	9.2	1.3	1.2	1.2%	1.2%	5.4	4.4
Qatar Cement	QAT	1,833	2.7	15.4	14.4	0.6	0.6	6.6%	6.6%	3.9	4.0
Titan Cement	BEL	14,495	46.1	11.2	9.5	1.8	1.6	2.7%	2.9%	6.1	5.6
Oyak Cement	TUR	7,182	19.8	6.8	5.4	1.0	0.9	8.1%	9.6%	4.3	2.6
Ambuja Cement	IND	38,704	389.6	38.4	27.6	1.5	1.4	0.5%	0.6%	14.5	11.4
Mean		**9,097**	**17.8**	**14.2**	**12.1**	**1.1**	**1.0**	**1.8%**	**1.9%**	**5.7**	**4.9**

Source: Bloomberg

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Analyst Certification:

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>+15% Total Return: Stocks with +15% expected total return (including dividend yield) over the next 12 months are classified as Buy.

5-15%: Stocks with total return between 5-15% can be classified as Buy or Neutral.

>-5%<+5% total return: Stocks with total return between -5% and +5 % can be classified as Neutral or Underperform

Underperform-Stocks which are expected to have <-5% total return

Not Covered: AC has not assigned any rating on the stock

Coverage Suspended: AC has temporarily suspended the coverage of the stock either in compliance with local regulation or other considerations

Price data for the listed securities is based on 10 Nov. 26.

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